

Al Islah School

Unaudited Financial Statements

31 August 2020

KAROLIA LIMITED

Chartered Certified Accountants
Suite 28 Blackburn Enterprise Centre
Furthergate
Blackburn
Lancashire
BB1 3HQ

Al Islah School

Financial Statements

Year ended 31 August 2020

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Al Islah School

Trustees' Annual Report

Year ended 31 August 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2020.

Reference and administrative details

Registered charity name	Al Islah School
Charity registration number	1079528
Principal office	108 Audley Range Blackburn Lancashire BB1 1TF

The trustees

Mr H Desai
Mr Y Sidat
Mr M S Karolia

Accountants

Karolia Limited
Chartered Certified Accountants
Suite 28 Blackburn Enterprise Centre
Furthergate
Blackburn
Lancashire
BB1 3HQ

Structure, governance and management

The trustee named under 'Charity Information' have served during the year. Appointment of trustees is governed by the Trust Deed of the charity. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee and remove existing trustees.

Objectives and activities

The Charitable Trust is constituted by Trust Deed, and its objects are to provide education and training to children of 11 to 16 years old (up to G.C.S.E.), following the national curriculum and implementing good educational practices within the teachings of Islam which are open to all sections of the community.

Al Islah School

Trustees' Annual Report *(continued)*

Year ended 31 August 2020

Achievements and performance

Al Islah Girls' High School continues to provide a high-quality, comprehensive and meaningful education for all our students. We have once again achieved above national average results for gaining 5 or more GCSE's as each student has succeeded within the bounds of their abilities and all have chosen educational goals.

Our Summer 2020 results have once again been superb. All the Year 11 cohort who were entered for their GCSE's have achieved 5 GCSEs or more in all the EBacc subjects. The school was very proud to proclaim that we achieved a 100% pass rate, Grade 5 and above, for many of the subjects including Triple Science and Mathematics. This means that our Attainment 8 Score for this academic year is very high and above the national average. We hope to achieve a further set of fantastic results in this coming academic year.

Furthermore, for the first time at Al Islah, the summer of 2020 also saw outstanding achievement within the Year 10 class. This cohort sat 5 of their overall GCSEs a year earlier than other year groups and all students excelled in these. This enabled them to enter additional GCSE's and BTECs which otherwise would not have been possible.

The school has offered a broad and balanced curriculum, delivered by dedicated and committed teachers to students in an environment, whereby behaviour and personal development is linked to an Islamic ethos to develop the students' spiritual, moral, social and cultural aspects.

Ofsted have reported from our latest inspection that 'the leadership and management of Al Islah are firmly focused and committed. We have been graded a 'good' in this aspect and we are working towards a school which will provide an exceptional quality of education by significantly exceeding minimum requirements. Ofsted have said that 'our premises and accommodation are well maintained and the facilities are good' and we ensure parents are well informed about their child's progress with reports and parents' consultation evenings.

Strong governance, focus on meeting legal, policy and regulation requirements and with a continuous improvement approach; the governing body forms a backbone to the leadership and management of Al Islah Girls' High School. The school's SLT has recently made a huge investment towards the teaching and learning at the school. With the recent purchase of a set of laptops to use in addition with the computers in the IT suite has enabled many of our learners, especially those that come from disadvantaged backgrounds to have access to digital resources and complete their learning. As the school is continuously signing up to new, more up to date digital resources for the children, this investment is a great benefit for our learners.

The school has also heavily invested in touchscreens for each classroom throughout the school. This has proven to be highly successful in engaging the students within the lesson and has shown a vast improvement in the level of learning and progress made. Teachers are able to make their lessons much more interactive and engaging and students can also take an active role in their learning.

Financial review

The budget is strictly monitored, as the main source of income has been the fees paid by parents whose children attend our school. With regards to the financial aspect of management, monthly reports are produced in order that the school remains on a firm financial footing. Monthly management accounts are reviewed by the board of trustees every month. Financially the school is viable due to good house management and this has enabled to survive on the numbers of the students that the school attracts.

Al Islah School

Trustees' Annual Report *(continued)*

Year ended 31 August 2020

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 7 June 2021 and signed on behalf of the board of trustees by:

Mr H Desai
Trustee

Al Islah School

Independent Examiner's Report to the Trustees of Al Islah School

Year ended 31 August 2020

I report to the trustees on my examination of the financial statements of Al Islah School ('the charity') for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ahmed Adam Karolia
Independent Examiner

Suite 28 Blackburn Enterprise Centre
Furthergate
Blackburn
Lancashire
BB1 3HQ

7 June 2021

Al Islah School

Statement of Financial Activities

Year ended 31 August 2020

		2020		2019
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	91,451	91,451	81,994
Investment income	5	27	27	29
Total income		<u>91,478</u>	<u>91,478</u>	<u>82,023</u>
Expenditure				
Expenditure on charitable activities	6,7	<u>74,972</u>	<u>74,972</u>	<u>94,980</u>
Total expenditure		<u>74,972</u>	<u>74,972</u>	<u>94,980</u>
Net income/(expenditure) and net movement in funds		<u>16,506</u>	<u>16,506</u>	<u>(12,957)</u>
Reconciliation of funds				
Total funds brought forward		<u>174,797</u>	<u>174,797</u>	<u>187,754</u>
Total funds carried forward		<u>191,303</u>	<u>191,303</u>	<u>174,797</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 12 form part of these financial statements.

Al Islah School

Statement of Financial Position

31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	13	164,543	166,151
Current assets			
Debtors	14	584	—
Cash at bank and in hand		<u>26,871</u>	<u>11,391</u>
		27,455	11,391
Creditors: amounts falling due within one year	15	<u>695</u>	<u>2,745</u>
Net current assets		26,760	8,646
Total assets less current liabilities		<u>191,303</u>	<u>174,797</u>
Net assets		<u>191,303</u>	<u>174,797</u>
Funds of the charity			
Unrestricted funds		<u>191,303</u>	<u>174,797</u>
Total charity funds	16	<u>191,303</u>	<u>174,797</u>

These financial statements were approved by the board of trustees and authorised for issue on 7 June 2021, and are signed on behalf of the board by:

Mr H Desai
Trustee

The notes on pages 7 to 12 form part of these financial statements.

Al Islah School

Notes to the Financial Statements

Year ended 31 August 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 108 Audley Range, Blackburn, Lancashire, BB1 1TF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

No cash flow statement has been presented for the charity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

3. Accounting policies *(continued)***Tangible assets** *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 15% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
School fees	72,819	72,819	72,601	72,601
Other income	1,353	1,353	—	—
Rent received	9,681	9,681	8,750	8,750
Donations received	7,598	7,598	643	643
	<u>91,451</u>	<u>91,451</u>	<u>81,994</u>	<u>81,994</u>

Al Islah School

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

5. Investment income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Bank interest receivable	27	27	29	29

6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Education costs	67,182	67,182	84,119	84,119
Support costs	7,790	7,790	10,861	10,861
	<u>74,972</u>	<u>74,972</u>	<u>94,980</u>	<u>94,980</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
Education costs	67,182	–	67,182	84,119
Governance costs	–	7,790	7,790	10,861
	<u>67,182</u>	<u>7,790</u>	<u>74,972</u>	<u>94,980</u>

8. Analysis of support costs

	Analysis of support costs	Total 2020	Total 2019
	£	£	£
Staff costs	5,000	5,000	5,000
Premises	1,568	1,568	1,743
General office	742	742	3,638
Governance costs	480	480	480
	<u>7,790</u>	<u>7,790</u>	<u>10,861</u>

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	<u>1,608</u>	<u>1,891</u>

Al Islah School

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

10. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>480</u>	<u>480</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	56,484	72,766
Other employee benefits	<u>675</u>	<u>—</u>
	<u>57,159</u>	<u>72,766</u>

The average head count of employees during the year was 9 (2019: 11).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 September 2019 and 31 August 2020	<u>155,436</u>	<u>32,120</u>	<u>187,556</u>
Depreciation			
At 1 September 2019	—	21,405	21,405
Charge for the year	—	<u>1,608</u>	<u>1,608</u>
At 31 August 2020	<u>—</u>	<u>23,013</u>	<u>23,013</u>
Carrying amount			
At 31 August 2020	<u>155,436</u>	<u>9,107</u>	<u>164,543</u>
At 31 August 2019	<u>155,436</u>	<u>10,715</u>	<u>166,151</u>

14. Debtors

	2020 £	2019 £
Prepayments and accrued income	<u>584</u>	<u>—</u>

Al Islah School

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

15. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	215	—
Accruals	480	480
Other creditors	—	2,265
	<u>695</u>	<u>2,745</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 September 2019	Income	Expenditure	At 31 August 20 20
	£	£	£	£
General funds	<u>174,797</u>	<u>91,478</u>	<u>(74,972)</u>	<u>191,303</u>

	At 1 September 2018	Income	Expenditure	At 31 August 20 19
	£	£	£	£
General funds	<u>187,754</u>	<u>82,023</u>	<u>(94,980)</u>	<u>174,797</u>

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	2020 £
Tangible fixed assets	164,543	164,543
Current assets	27,455	27,455
Creditors less than 1 year	(695)	(695)
Net assets	<u>191,303</u>	<u>191,303</u>

	Unrestricted Funds	Total Funds
	£	2019 £
Tangible fixed assets	166,151	166,151
Current assets	11,039	11,039
Creditors less than 1 year	(2,393)	(2,393)
Net assets	<u>174,797</u>	<u>174,797</u>